

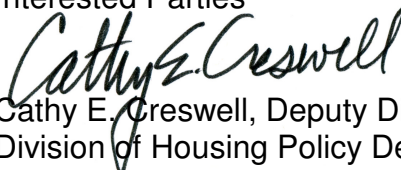
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
Division of Housing Policy Development

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**MEMORANDUM**

DATE: January 23, 2009

TO: Interested Parties

FROM: 
Cathy E. Creswell, Deputy Director
Division of Housing Policy Development

SUBJECT: Annual Progress Reports -- Notice of Comment Period

TITLE 25**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT****NOTICE OF PROPOSED RULEMAKING
FOR THE ADOPTION OF HOUSING ELEMENT ANNUAL
PROGRESS REPORT REGULATIONS**

Notice is hereby given that the Department of Housing and Community Development (Department) proposes to adopt regulations governing the State Housing Element Annual Progress Report. These regulations implement and interpret subdivision (b) of Government Code Section 65400 which establishes the requirement that each city, county or city and county planning agency prepare an annual report on the status of the housing element of its general plan and progress in its implementation using forms and definitions adopted by the Department.

This notice is the third formal request for public comment on the proposed regulations governing the State Housing Element Annual Progress Report. The Department began the process of soliciting informal comment in July, 2005 through mailing and subsequent public meetings. Based on received comments, the regulations were developed and, in accordance to the formal Administrative Procedure Act, circulated for two 45-day comment periods in 2006 and 2007. The formal rulemaking process was not able to be completed within the statutorily-required one-year notice period. As a result, the Department must provide a new notice and new 45-day public comment period. Please note, the current proposed regulations, do not materially differ from the regulations previously proposed for adoption in 2007 which had been revised to reflect comments from the previous two comment periods.

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COMMENT PERIOD

Any interested person, or his or her authorized representative, may submit comments relevant to the proposed regulatory action to the Department. The comment period begins on January 23, 2009 and closes on March 9, 2009 at 5:00 p.m. The Department will consider comments received during this timeframe. The regulations are available at www.hcd.ca.gov. Your comments may be submitted by mail, fax, or e-mail to:

Melinda Coy
Department of Housing and Community Development - HPD
1800 3rd Street, Suite 430
Sacramento, CA, 95814
Phone: (916) 445-4728
Fax: (916) 327-2643
e-mail: mcoy@hcd.ca.gov.

PUBLIC HEARING

A public hearing will be held on **March 9, 2009**:

10:00 a.m. -2:00 p.m. - Sacramento
Department of Housing and Community Development
1800 Third Street, Room 170, Sacramento
General Contact: (916) 445-4728 (*site information only*)

Any person may present statements or testimony orally or in writing relevant to the proposed action described in the Informative Digest below. The Department requests, but does not require, persons making oral comments at the hearing also submit a written copy.

AUTHORITY AND REFERENCE

The Department is conducting this rulemaking activity under the authority provided by Government Code Section 65400 and Health & Safety Code Section 50439. They implement and make specific subdivision (b)(2) of Government Code Section 65400.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

The purpose of these proposed regulations is to comply with the statutory mandate of subdivision (b) of Government Code Section 65400 to provide forms and definitions to be used by local governments in the preparation of Annual Progress Reports detailing implementation progress of their housing element. In addition, the proposed regulations provide direction on the contents of the report, consistency and clarity on reporting requirements.

Section 6200. Purpose and Scope. This section provides the authority, purpose of the regulation, and the general activities they regulate.

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Section 6201. General. This section establishes the beginning and ending date of the reporting period and identifies three approaches an agency can take to utilize the proposed annual form. In addition, only those activities conducted within the jurisdictional boundaries of the reporting locality will be included in the annual report form.

Section 6202. Definitions. This section provides the definitions of key terms used throughout the body of the regulations.

Section 6203. Annual Report Content. The purpose of this section is to implement and interpret reporting requirements. Each year the local government agency will provide an annual report to the localities legislative body, the Governor's Office of Planning and Research and this Department.

IMPACT OF PROPOSED REGULATIONS

The purpose of the Housing Element Annual Progress Report is for local government agencies to report implementation progress of the housing element of their general plan as required by Government Code Section 65400.

EFFECT ON SMALL BUSINESS

The proposed regulations do not affect small businesses, because they do not mandate or require small businesses to take any prescribed action, and have no financial impact on small businesses.

LOCAL MANDATE

The proposed regulatory activity will not impose a mandate on local agencies or school districts.

FISCAL IMPACT

This regulatory activity does not impose any cost on local government agencies or school districts that are required to be reimbursed under Part 7 (commencing with Section 17500) of Division 4 of the Government Code; nor does the regulatory activity result in any other nondiscretionary cost or savings imposed on local government agencies, or State agencies. There are no costs or savings in Federal funding to the State.

EFFECT ON HOUSING COSTS

The focus of the Housing Element Annual Progress Report regulation is to provide direction on the contents of the report, consistency and clarity on reporting requirements. There will not be any impact on housing costs.

INITIAL DETERMINATION OF STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESSES

The Department has made an initial determination that the proposed action will not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

ASSESSMENT STATEMENT

The Department has determined that the regulations will not significantly affect the creation or elimination of jobs in California; the creation of new businesses or the elimination of existing businesses within California; or the expansion of businesses currently operating in California.

STATEMENT OF POTENTIAL COSTS IMPACT ON PRIVATE PERSONS AND BUSINESS DIRECTLY AFFECTED

The Department is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

CONSIDERATION OF ALTERNATIVES

The Department must determine that no reasonable alternative considered by the Department or that has otherwise been identified and brought to the attention of the Department would be more effective in carrying out the purpose for which the action is proposed or would be as effective, and less burdensome to affected private persons than the proposed action.

AVAILABILITY OF TEXT OF PROPOSED REGULATIONS AND STATEMENT OF REASONS

The text of the proposed regulations is available upon request, along with the Initial Statement of Reasons, prepared by the Department. All information the Department is considering as a basis for this proposal is maintained in a rulemaking file, which is available for inspection at the address noted below. Copies can be obtained by contacting Melinda Coy at the address and telephone number indicated (see next page). The regulations are also available on the Department's web site at <http://www.hcd.ca.gov/regulations/>.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

Following the comment period, the Department may adopt the proposed regulations substantially as described in this notice. If the Department makes modifications, which are related to the originally proposed text, it will make the text, with changes clearly indicated, available to the public for at least 15 days prior to adoption of the revised regulations. Requests for copies of the modified regulations can be sent to Melinda Coy at the address indicated below. The Department will accept comments for 15 days after the release date of the modified regulations.

AVAILABILITY OF RULEMAKING DOCUMENTS

All of the information upon which the proposed regulations are based is contained in the rulemaking file, which is available for public review, by contacting Melinda Coy or Lenora Frazier.

AVAILABILITY OF FINAL STATEMENT OF REASONS

At the conclusion of this rulemaking, a Final Statement of Reasons will be prepared as required by Government Code section 11346.9. This document will be available from the contact person(s) named below.

CONTACT INFORMATION

The Department invites interested persons to present statements or arguments with respect to alternatives to the proposed regulations during the comment period. Direct inquiries concerning the substance of the proposed rulemaking action and any requests for the documents should be made to:

HCD:	Melinda Coy (916) 445-5307	Back Up:	Lenora Frazier (916) 323-7288
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Address: **Department of Housing and Community Development**
 Division of Housing Policy Development
 1800 Third Street, Room 430
 Sacramento, Ca 95814

E-Mail: mcoy@hcd.ca.gov – for direct inquiries or for copies of the Notice of Proposed Action, the Initial Statement of Reasons, and the text of the regulations access the Department's website at www.hcd.ca.gov.

Fax No: **(916) 327-2643**